

## Message Text

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64

ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01 TRSE-00

ACDA-07 OC-06 CCO-00 /070 W  
----- 028845

R 180130Z AUG 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 9039

INFO SECDEF WASHDC

JCS WASHDC

CINCPAC

CINCPACAF

CINCPACFLT

CINCPACREPPHIL SUBIC

CG 13TH AF CLARK

C O N F I D E N T I A L MANILA 12418

CINCPAC ALSO FOR POLAD

FROM USDEL 211

E.O. 11652: GDS

TAGS: MARR, RP

SUBJECT: PHILIPPINE BASE NEGOTIATIONS: DAILY SUMMARY NO. 39

1. SUMMARY. TUESDAY WAS UNEXCEPTIONAL DAY WITH FORMAL NEGOTIATING ACTIVITY LIMITED TO MORNING MEETINGS OF CHAIRMEN'S, FACILITIES, COMMAND AND TAXATION GROUPS. THERE WAS A SETBACK IN TAXATION BUT LITTLE CHANGE ELSEWHERE. PLENARY WILL CONVENE TOMORROW TO FINALIZE LIST OF POLITICAL ISSUES. THAT LIST WILL BE FORWARDED BY IMMEDIATE CABLE WHEN FORMALLY APPROVED BY TWO PANELS. END OF SUMMARY.

2. CHAIRMEN'S GROUP MET MORNING AUGUST 17 TO REVISE WORDING OF ISSUES REQUIRING POLITICAL DECISIONS TO RESOLVE. THIS REVISION WAS OCCASIONED BY CHANGES TO EARLIER AGREED  
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VERSIONS PROPOSED BY BOTH PANELS. AFTER REVISIONS AGREED,

MEETING ADJOURNED WITH UNDERSTANDING THAT PLENARY SESSION  
WILL BE CONVENED MORNING OF AUGUST 18.

3. FACILITIES. PRIMARY PURPOSE OF FACILITIES WORKING  
GROUP MEETING WAS CHANGING OF THE GUARD, WITH GOLDSMITH  
REPLACING BARRINGER. POSITIONS WERE REVIEWED IN CONNECTION  
WITH POSITIONS PAPER UNDER PREPARATION. PHILS CONFIRMED  
THEIR DESIRE TO TAKE OVER VIRTUALLY THE ENTIRE SUBIC  
WATERSHED AREA. GROUP AGREED TO HAVE TECHNICAL EXPERTS  
BROUGHT IN TO EXPLAIN REQUIREMENT TO RETAIN ANNEX B  
COMMUNICATIONS FACILITIES. WE ARE PLANNING CONCERTED PUSH  
TO ATTEMPT TO CONVINCE PHILS OF VALIDITY OF OUR TECHNICAL  
RATIONALE. FOR THE MOMENT, WE PLAN TO AVOID DOING BATTLE  
ON CLARK AND SUBIC AND TO PROBE FOR ANY SIGNS OF PHIL  
FLEXIBILITY ON SMALLER INSTALLATIONS.

4. COMMAND AND CONTROL. DISCUSSIONS CONTINUED ON  
REMAINING PARTS OF U.S. ARTICLE VII AND ON PARAS ONE AND  
TWO OF PHIL ARTICLE X. NO REAL PROGRESS. WORKING GROUP  
WILL NOT MEET AGAIN UNTIL 19 AUGUST.

5. TAXATION. TOLEDO REPORTED WITH SOME EMBARRASSMENT  
THAT HE HAD BEEN OVERRULED AND WOULD HAVE TO WITHDRAW  
LONG STANDING AD REFERENDUM AGREEMENT ON INCOME TAX  
EXEMPTIONS FOR US CIVILIAN EMPLOYEES AND DEPENDENTS.  
TOLEDO PERSONALLY ACKNOWLEDGES VALIDITY OF EXEMPTION AND  
INEVITABILITY OF ITS ACCEPTANCE BUT CREDIBLY PROFESSES TO  
HAVE NO PRESENT FLEXIBILITY. REGRETS WERE EXPRESSED BY  
BOTH SIDES OVER THIS RATHER LARGE STEP BACKWARD ON WHAT  
HAS TURNED OUT SO FAR TO BE A RATHER SHORT MARCH. REMAINDER  
OF DAY'S SESSION WAS SPENT RESPONDING TO TOLEDO'S INQUIRIES  
CONCERNING BX PRICING AND BIDDING POLICIES FOR CONCES-  
SIONAIRES. ALLEGED OBJECT OF INQUIRY WAS TO GAIN SUFFICIENT  
FAMILIARITY WITH CURRENT PRACTICE TO BE ABLE TO SUPPORT  
US POSITION.  
SULLIVAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
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**To:** STATE  
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